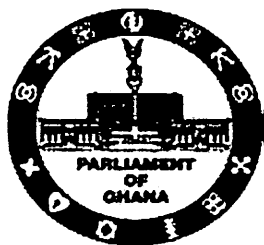


IN THE SECOND SESSION OF THE EIGHTH PARLIAMENT OF THE FOURTH REPUBLIC OF
GHANA



REPORT OF THE FINANCE COMMITTEE ON FEES AND CHARGES
(MISCELLANEOUS PROVISIONS) BILL, 2022

1.0 INTRODUCTION

The Fees and Charges (Miscellaneous Provisions) Bill, 2022 was presented to Parliament and read the first time by the Hon. Deputy Minister for Finance, Mrs. Abena Osei Asare for and on behalf of the Minister for Finance on Tuesday, 5th April, 2022 and referred to the Finance Committee for consideration and report in accordance with Article 174 (1) of the 1992 Constitution and Order 169 and 125 of the Standing Orders of the Parliament of Ghana.

The Committee had a number of engagements with the Hon. Deputy Minister for Finance, Mrs. Abena Osei Asare and Officials of the Ministry of Finance, Attorney General's Department and Institutions either seeking ratification for existing fees or parliamentary approval for the imposition of new fees and others seeking upwards review of existing fees, to deliberate on the referral.

The Committee is grateful to the Hon. Deputy Minister and Officials for the assistance.

2.0 REFERENCE

The Committee made reference to the following documentations during its deliberations:

- a. The 1992 Constitution of Ghana.
- b. The Standing Orders of the Parliament of Ghana.
- c. Private Public Partnership Act, 2020 (Act 1039),
- d. The Right to Information Act, 2019 (Act 989)
- e. The Whistleblowers Act, 2006 (Act 720)
- f. Fees and Charges (Miscellaneous Provisions) Act, 2018 (Act 983).
- g. Public Financial Management Regulation, 2019 (L.I 2378)

3.0 BACKGROUND

In 2018, Parliament passed the Fees and Charges (Miscellaneous Provisions) Act, 2018 (Act 983) transferred the authority to determine fees and charges under an enactment to the Minister responsible for Finance. The Act also mandates Ministries, Department and Agencies to conduct an annual review of the administrative efficiency of collection, the accuracy of past estimates and the relevance of fees and charges to current economic conditions.

Additionally, the Public Financial Management Regulation, 2019(L.I 2378) directs a Principal Spending Officer responsible for collecting various types of fees and charges to conduct an annual review of the administrative efficiency of past estimates and the relevance of rates, fees and charges and submit proposals through the Minister responsible for Finance to Parliament for approval. The two enactments therefore mandate Ministries, Departments and Agencies to adjust on a regular basis fees and charges collected for the delivery of goods and services to the public to keep pace with the current economic trends.

However, compliance with Act 983 and L.I 2378 leaves much to be desired. Ministries, Departments and Agencies do not regularly submit proposals for the review of fees and charges, resulting in exponential increase in the gap between the cost-of-service delivery

and approved fees. Again, the process for the review, approval and implementation of fees and charges takes a considerable amount of time.

To address this challenge, the Ministry seeks to enact a law to establish a single schedule of all fees and charges for goods and services rendered by Ministries, Departments and Agencies and provide for an automatic adjustment of the fees and charges in line with the average annual inflation of the previous year published by the Ghana Statistical Service. This is to ensure a regular review of the fees and charges levied by the Ministries, Departments and Agencies, avoid steep increase arising from long periods without review, bridge the growing gap between the cost-of-service delivery and approved fees and simplify the process for review of fees and charges to a single submission to Parliament as part of the annual budget.

4.0 PURPOSE OF THE BILL

The object of the Bill is to regularise fees been charged by some public service institutions, review existing fees, impose new fees and provide for an annual adjustment of fees and charges levied by Ministries, Department and Agencies in line with prevailing economic conditions.

5.0 DIVISION OF THE BILL

The Fees and Charges (Miscellaneous Provisions) Bill, 2022 is divided into nine (9) Clauses and two (2) schedules.

Clauses 1 and 2 of the Bill provide for the determination of fees and charges. Clause 1 transfers the authority to determine fees and charges under an enactment to the Minister responsible for Finance. The clause, however, exempts a fee or charge that is determined and fixed by a partnership in accordance with the Private Public Partnership Act, 2020 (Act 1039), a fee or charge that is fixed pursuant to the Right to Information Act, 2019 (Act 989) or the Whistleblower Act, 2006 (Act 720) and other fees and charges determined by the Minister from the application of the Bill.

Clause 2 provides for the rate of fees and charges to be charged by a Ministry, a Department or an Agency.

Clauses 3 and 4 of the Bill deal with the revision of fees and charges. Under Clause 3, requires the Minister to automatically adjust the fees and charges in accordance with the prevailing economic conditions.

Clause 4 empowers the Minister to conduct a periodic review of the fees and charges levied by a Ministry, Department and Agency having regard to an improvement in the quality of service and relevance of the service provided by the Ministry, Department or Agency and whether a service provided by the Ministry, Department or Agency should be privatised. The Clause also empowers the Minister to cause an audit of the expenditure and revenue of the Ministry, Department and Agency for the purpose of reviewing a fee or charge.

Clause 5 directs a Ministry, Department or Agency that has been authorised to determine fees and charges to submit a proposal of fees and charges to the Minister for consideration. In addition, a newly created Ministry, Department or Agency that is empowered under an enactment to collect fees and charges is also required to submit proposals to the Minister on the fees and charges that the Ministry, Department or Agency seeks to collect.

The clause further mandates the Minister to determine the fees and charges on the basis of overall Government policy.

Miscellaneous matters are dealt with in Clauses 6 to 8. The Minister, in Clause 6, is given the power to, by Legislative Instrument, amend the First Schedule to include or exclude Ministry, Department or Agency, review the fees and charges levied by a Ministry, Department and Agency specified in the Second Schedule and provide for the effective implementation of the Law.

Clause 7 deals with interpretation of words and phrases used in the Bill whilst Clause 8 amends the Public Financial Management Regulations, 2019 (L.I 2378) by the revocation of Regulation 48.

Clause 9 repeals the Fees and Charges (Miscellaneous Provisions) Act, 2018 (Act 983) and further revokes the Fees and Charges (Miscellaneous Provisions) Instrument, 2019 (L.I 2386).

Finally, the First Schedule to the Bill specifies the Ministries, Departments and Agencies authorised to collect fees and charges whilst the Second Schedule specifies the rate of the fees and charges for a Ministry, Department or Agencies.

6.0 OBSERVATIONS

6.1 *Gross Lodgement*

6.1.1. The Committee noted during its deliberations that a number of Government Agencies and Institution responsible for the collection of non-tax revenues on behalf of Government failed to lodge revenues collected in gross in contravention of Section 46 of the Public Financial Management Act, 2016 (Act 921).

6.1.2. Many of the subvented agencies either retain part or pay the entire revenues collected directly into their operational accounts from which disbursement are made.

6.1.3. Again, some institutions also collect revenues on the table or over the counter after which it is lodged into their operational accounts and disbursed directly in contravention of the Public Financial Management Act, 2016.

The Committee noted with concern that the practice does not give the Minister for Finance a complete or comprehensive view of the total revenue (Non Tax) generated by all state agencies in each fiscal year.

Additionally, the Committee observed that the practice could expose public funds to abuse and embezzlement by collecting officers.

The Committee therefore recommends that the Ministry of Finance should take immediate steps to ensure that all institutions captured in the Second Schedule of the Bill collect their revenues through a designated Commercial Bank or through the *Ghana.gov platform* from which the funds collected are transferred in gross into the respective holding accounts at Bank of Ghana.

The Committee further urges the Minister for Finance to speed up the process for opening of holding accounts for all agencies to deter the practice of direct payment and disbursement of revenues from the collection accounts for operational purposes.

The Committee again urges all Institutions listed in the Second Schedule to issue instructions to all collecting Commercial Banks to transfer all revenues collected on behalf of the Ministries, Departments and Agencies in gross into the respective holding accounts at the Bank of Ghana.

6.2 *Fiscal Policy Measure in the 2022 Budget*

The Committee observed that the Fees and Charges (Miscellaneous) Bill, 2022 is part of the revenue measures outlined in the Budget Statement and Economic Policy of the Government for the 2022 financial year. The proposed adjustments of some of the Fees and Charges will contribute significantly to meeting the revenue targets outlined in the Budget for the 2022 fiscal year.

6.3 *Payment of Regulatory Fees and Charges by Micro Businesses and Petty Traders*

The Committee observed that microbusiness and petty traders generally did not need regulatory permit from the major industry regulator before they could supply to players of that industry. For instance, a toilet roll supplier did not a permit granted at a fee from the National Communications Authority before supplying to telecommunications companies, nor would such a supplier need a permit at a fee from the National Insurance Commission before supplying to insurance companies. Similarly, a cleaner did not need a permit at a fee from the National Petroleum Authority to provide cleaning services to an oil marketing company. It was only in the mining industry that microbusinesses and petty traders (classified as Class C companies) were required to seek a permit from the Minerals Commission at a fee before supplying to mining companies. The Committee has therefore proposed the necessary amendments to correct this over-reaching regulatory requirement.

7.0 PROPOSED AMENDMENTS BY THE COMMITTEE

The Committee having carefully examined the Bill proposed the following amendments for the consideration of the House:

1. Second Schedule, Page 205, under Minerals Commission, Application Form – **Amendment Proposed** – delete “150.00 for Class C”
2. Second Schedule, Page 205, under Minerals Commission, Registration Fee – **Amendment Proposed** – delete “Maximum of 1,200.00 for Class C”

8.0 CONCLUSION

The Committee upon a thorough examination of the Bill recommends to the House to adopt its report and pass the **Fees and Charges (Miscellaneous Provisions) Bill, 2022** into law in accordance with Article 106 of the Constitution and Orders 126 and 127 of the Standing Orders of the House.

Respectfully submitted.



HON. KWAKU AGYEMAN KWARTENG
(CHAIRMAN, FINANCE COMMITTEE)



JOANA A. SAKYI-ADJEI (MRS.)
(CLERK, FINACE COMMITTEE)

24th May, 2022